

EXAMINER'S BANKING PRACTICES SURVEY ANNUAL RESULTS

Division of Finance
State of Missouri

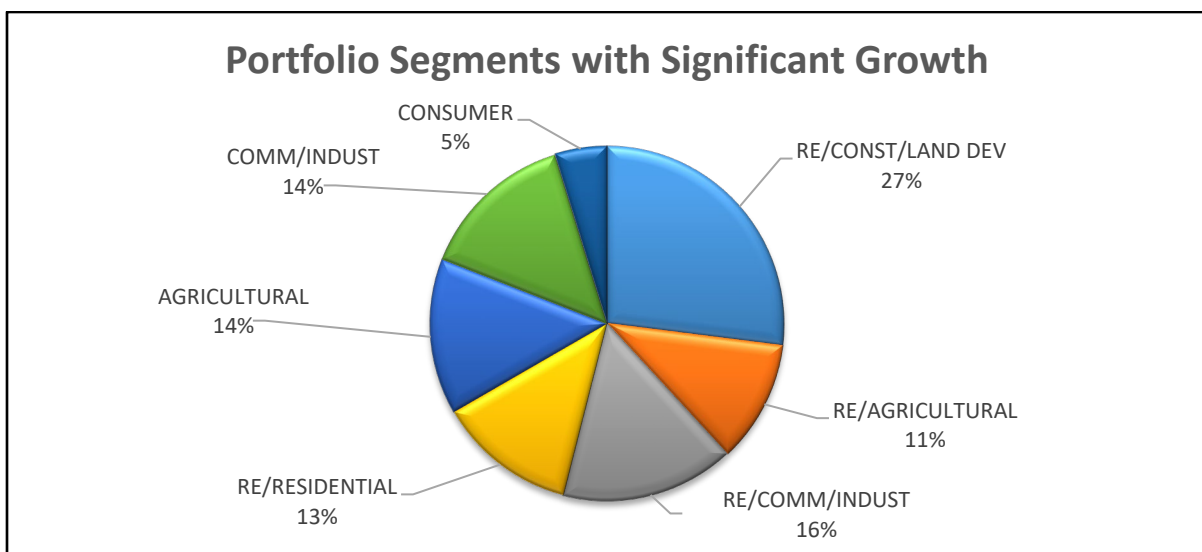
This survey is completed by bank examiners at the conclusion of each examination. Results are compiled from all banks examined each quarter. This report compiles information from all 4 quarters in 2025 to provide a full picture of the banks that were examined during the year.

Date: **FULL YEAR 2025**

Number of Banks Examined: **63**

LENDING

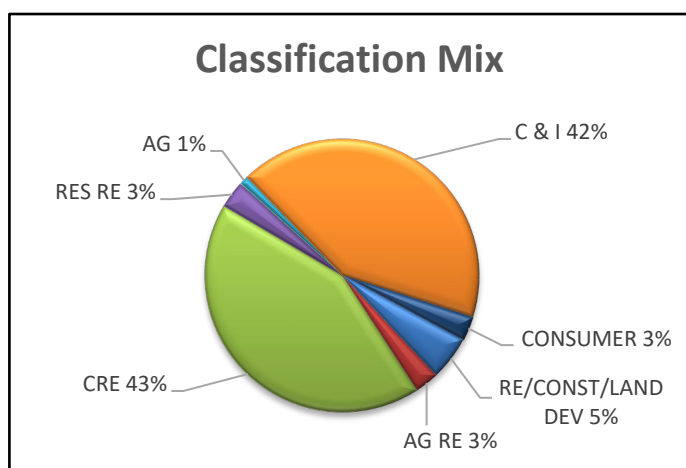
1. Since their last examinations, **56%** of the banks had significant growth in at least one segment of the portfolio. Significant is defined as an increase of 20% or more. The following graph illustrates the portfolio segmentation in the **35** banks for the identified growth. Growth was identified in all segments, with commercial-related segments comprising **30%** of the growth and construction and land development the largest individual segment at **27%**.



2. **11%** of banks examined during the year were incurring “more than normal” risk when booking new loans or modifying existing credits. While this is up from the 2024 percentage of **6%**, the number of banks only increased from **5** to **7**. Risk indicators identified included collateral dependency, a lack of cash flow analysis, and liberal repayment terms.
3. A majority of the banks examined remain conservative in underwriting practices across all loan types reviewed. Moderate practices were noted in an average of **14%** of the banks across all loan types, with only **two** banks exhibiting liberal underwriting practices. The liberal practices were identified in consumer and commercial lending.

4. Agriculture loans represented more than 20% of total loans in **20** of the banks examined. The potential exposure to Ag risks in these banks is mostly minimal, with the majority noting low risk. However, moderate risks were noted in carryover debt in **9** banks, subsidy phase-outs in **7** banks, and drop in land values in **9** banks. No substantial risks were identified.
5. The Adversely Classified Items Coverage ratio increased in **62%** of the banks examined. The average increase was **6%** and primarily attributed to deterioration in existing credits and economic conditions.

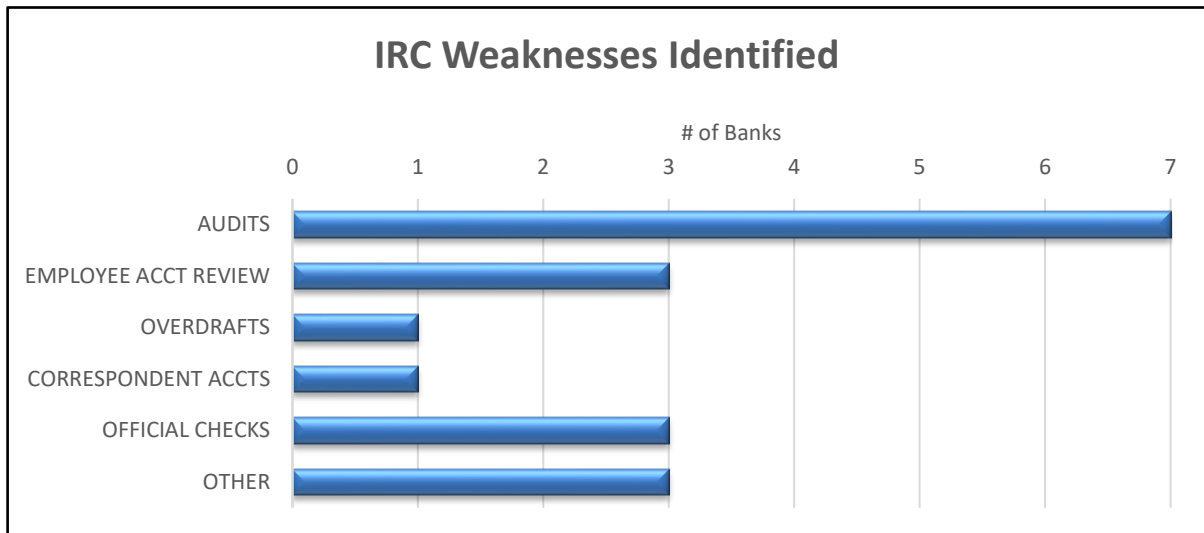
6. The mix of total loan classifications for all **63** banks is illustrated in the adjacent pie chart. Total commercial loans continue to comprise the largest portion at **85%** of total classifications.



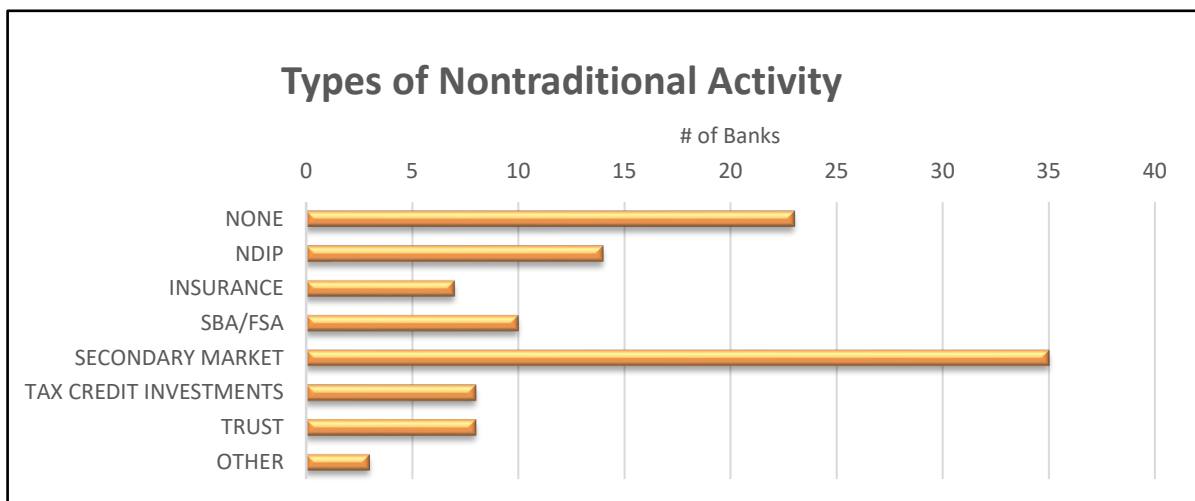
OPERATIONAL

7. Banks examined primarily exhibit conservative policies and practices in relation to investments. Moderate risk was noted in **12** banks, with only **none** in the liberal category.
8. Banks examined mostly exhibited conservative policies and practices in relation to funds management. Increased risk is noted in some banks, with **11** banks identified as moderate risk and **1** reflecting liberal practices. These numbers are down slightly from 2024 as liquidity has improved in the industry.
9. Examinations noted funding concentrations in **11** of the banks examined. This volume decreased from 2024 levels likely due to improving liquidity positions.
10. Examinations identified only **2** banks that hold a significant position in off-balance sheet derivatives. Significant is considered 10% of total assets.

11. The overall level of banks with Internal Routine and Control weaknesses is limited with no weaknesses noted in **51** banks or **74%** of the banks examined. The chart below represents the frequency that the following types of IRC weaknesses were observed. The other category weaknesses involved issues with segregation of duties, BSA practices, and dormant account management.



12. The majority of the banks examined engage in nontraditional activities, with the most significant being **32%** participating in secondary market lending. The following chart shows the types of activity observed. Other nontraditional activities consisted of FinTech activities and fixed asset rentals.



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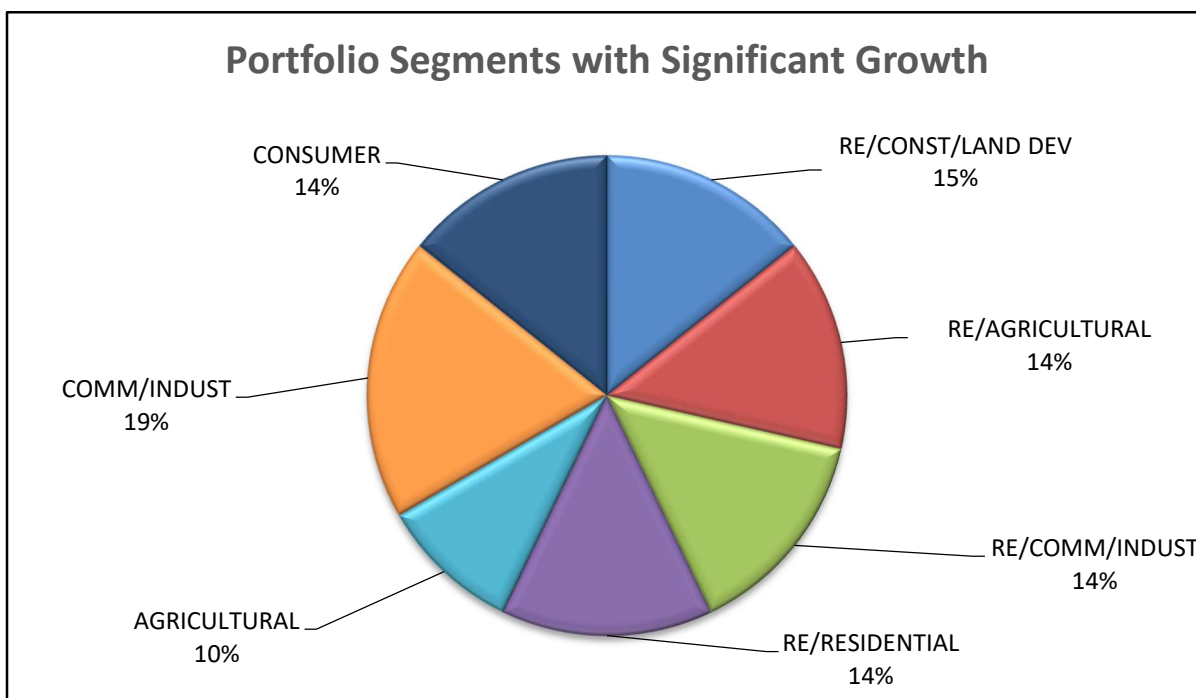
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Date: **FIRST QUARTER 2025**

Number of Banks Examined: **17**

LENDING

1. Since their last examinations, **9** banks had significant growth in at least one segment of the portfolio. Significant is defined as an increase of 20% or more. The following graph illustrates the portfolio segmentation in the **9** banks for the identified growth.

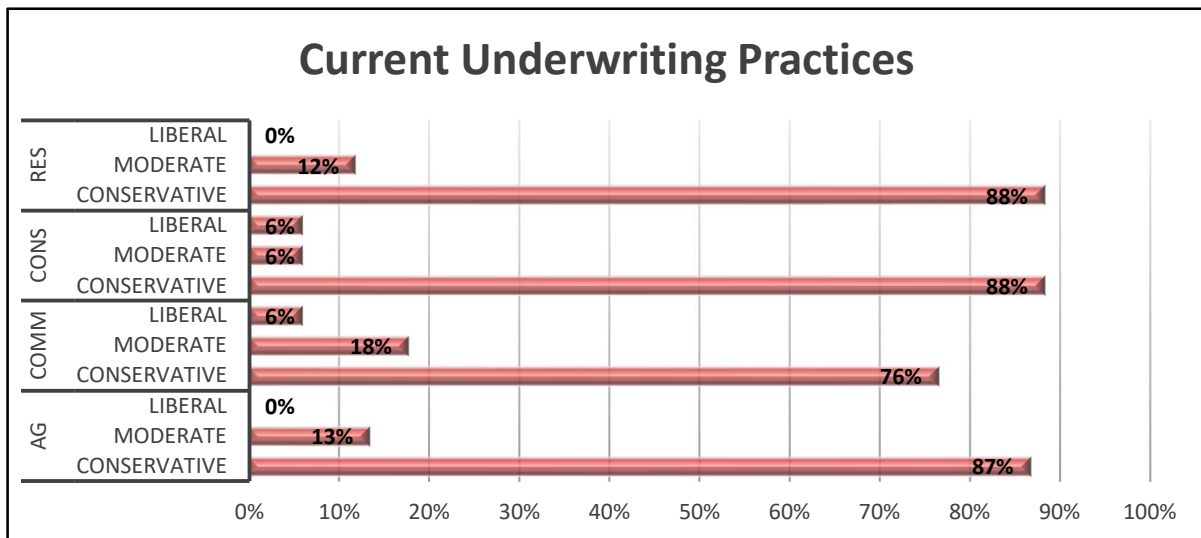


2. Indications of incurring “more than normal” risk when booking new loans or modifying existing credits was noted in **three** banks during the quarter. Risks identified include collateral dependency, lack of cash flow analysis, and liberal repayment terms.

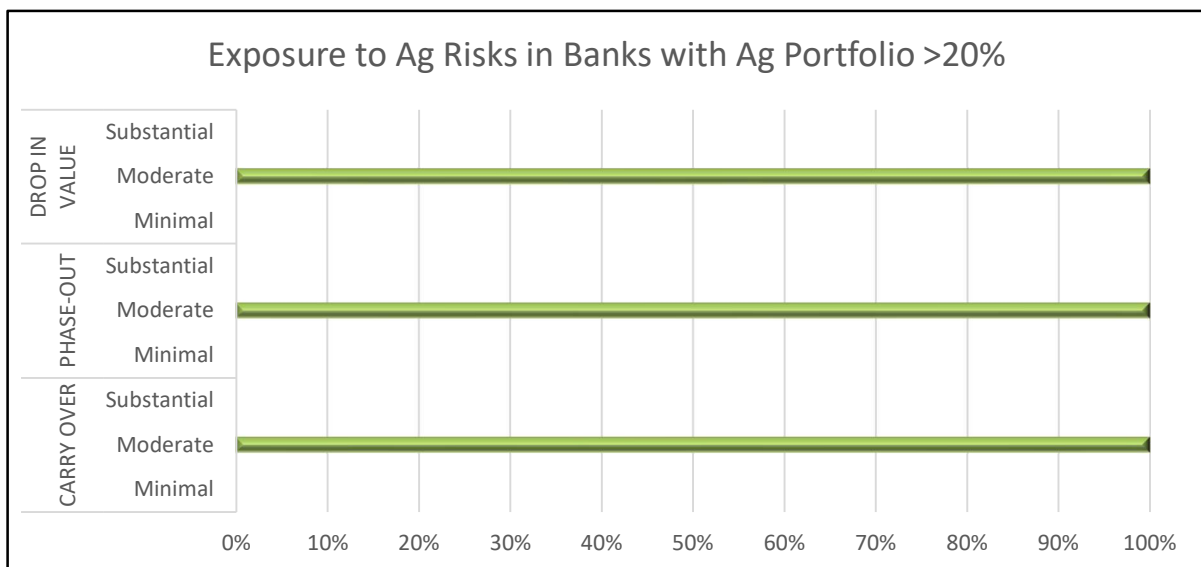
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3. The majority of the banks examined in this quarter remain conservative in underwriting practices across all loan types reviewed. Liberal underwriting practices were identified in commercial lending in **one** bank and consumer lending in **one** banks. The following graph reflects the current level of underwriting practices observed in each of the four main lending areas.

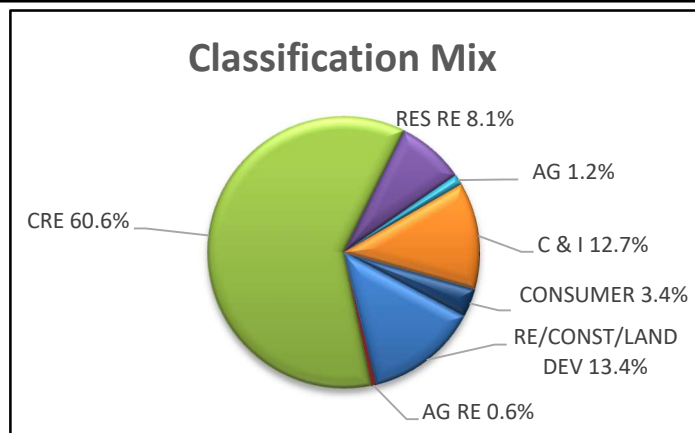


4. Agriculture loans represent more than 20% of total loans in only **1** bank examined. The potential exposure to Ag risks in this bank is moderate in all categories.



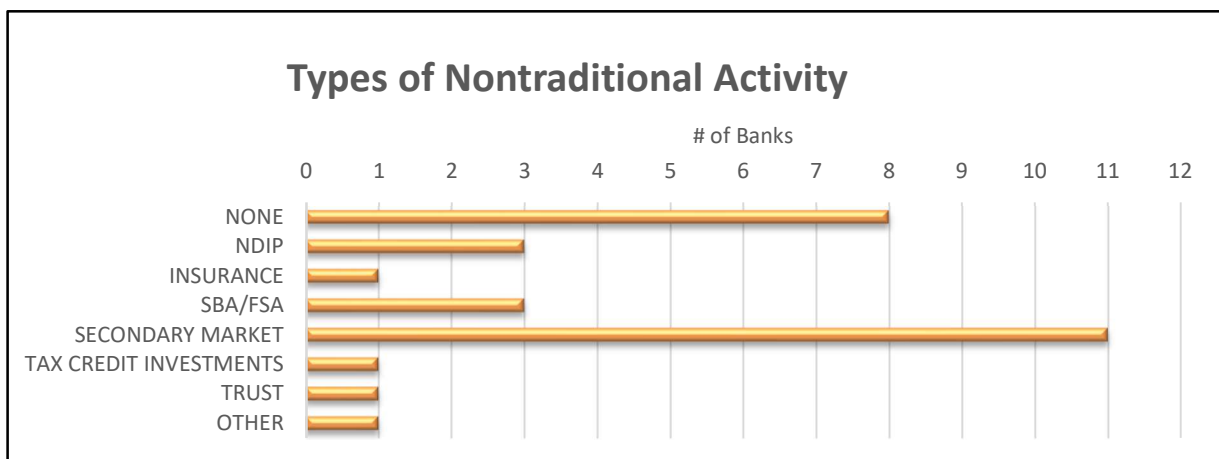
5. The Adversely Classified Items Coverage ratio increased in **9** of the banks examined. Deterioration in existing credits was noted as the primary factor, with deterioration in new loans and economic factors also cited.

6. The mix of total loan classifications for the 17 banks is illustrated in the adjacent pie chart. Classifications continue to be largely comprised of commercial related credits.



OPERATIONAL

7. Most of the banks examined during the quarter exhibit conservative policies and practices in relation to investments. Moderate risk was noted in 3 banks.
8. The majority of the banks examined during the quarter exhibit conservative funds management policies and practices. Moderate risk was noted in 4 banks, with liberal practices in 1 bank.
9. Examiners identified a funding concentration in 4 of the banks examined. The amount of banks with a funding concentration is down this quarter compared to last.
10. Examiners noted 2 banks that hold a significant position in off-balance sheet derivatives. Significant is considered 10% of total assets.
11. Examiners identified 3 banks during the quarter with Internal Routine and Control weaknesses. Weaknesses were related to audit and official check procedures.
12. Several of the banks examined engage in nontraditional activities, as shown in the chart below. The bank in the other category engages in nontraditional activity related to Fintech activities.



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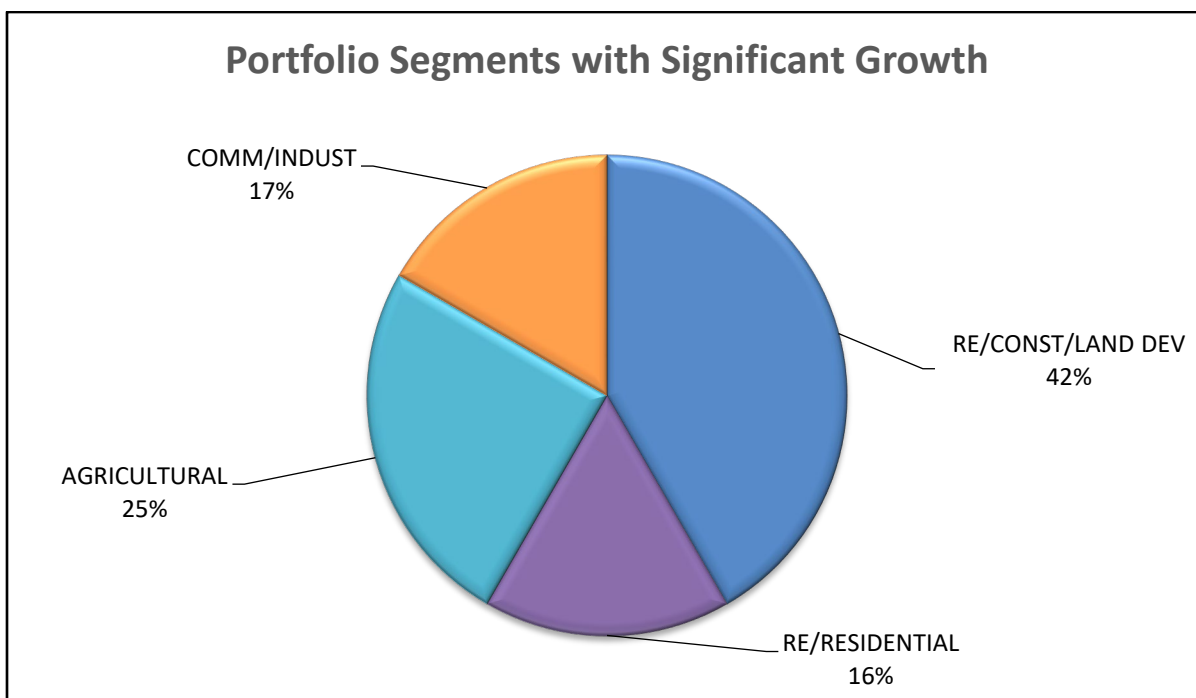
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Date: **SECOND QUARTER 2025**

Number of Banks Examined: **14**

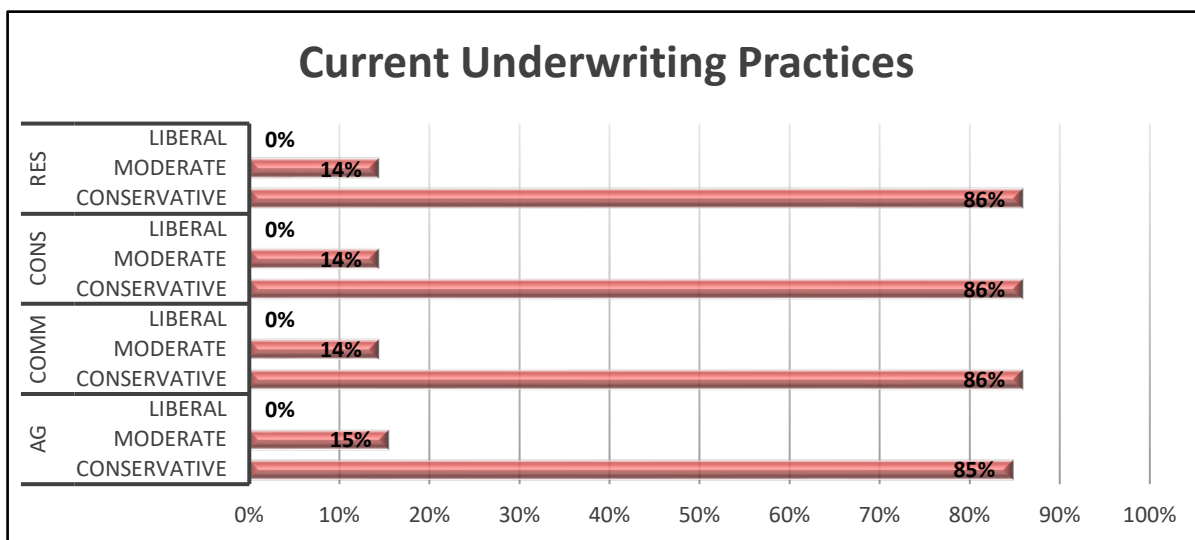
LENDING

1. Since their last examinations, **10** banks had significant growth in at least one segment of the portfolio. Significant is defined as an increase of 20% or more. The following graph illustrates the portfolio segmentation in the **10** banks for the identified growth.

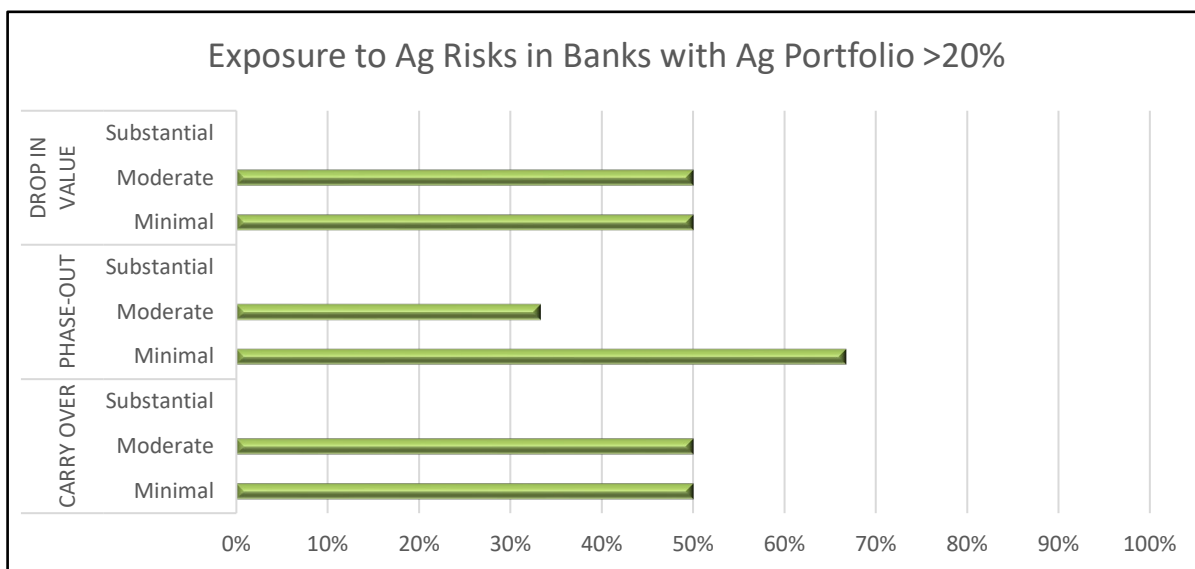


2. Indications of incurring “more than normal” risk when booking new loans or modifying existing credits was noted in **one** bank during the quarter. Risk identified was collateral dependency.

3. The majority of the banks examined in this quarter remain conservative in underwriting practices across all loan types reviewed. No liberal practices were identified. The following graph reflects the current level of underwriting practices observed in each of the four main lending areas.

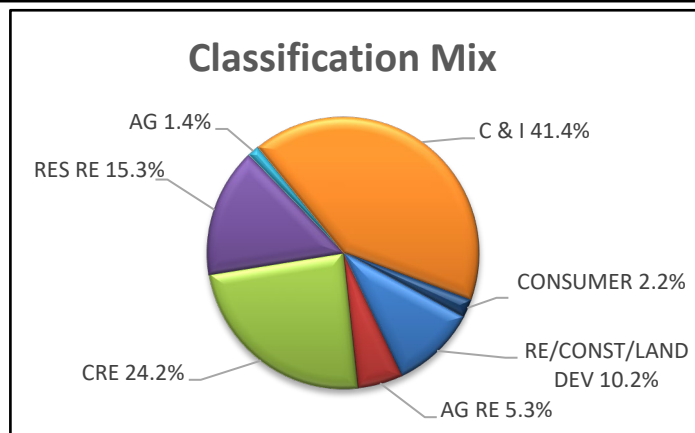


4. Agriculture loans represent more than 20% of total loans in only **6** banks examined. Exposure is similar across all **6** banks with no substantial exposure identified.



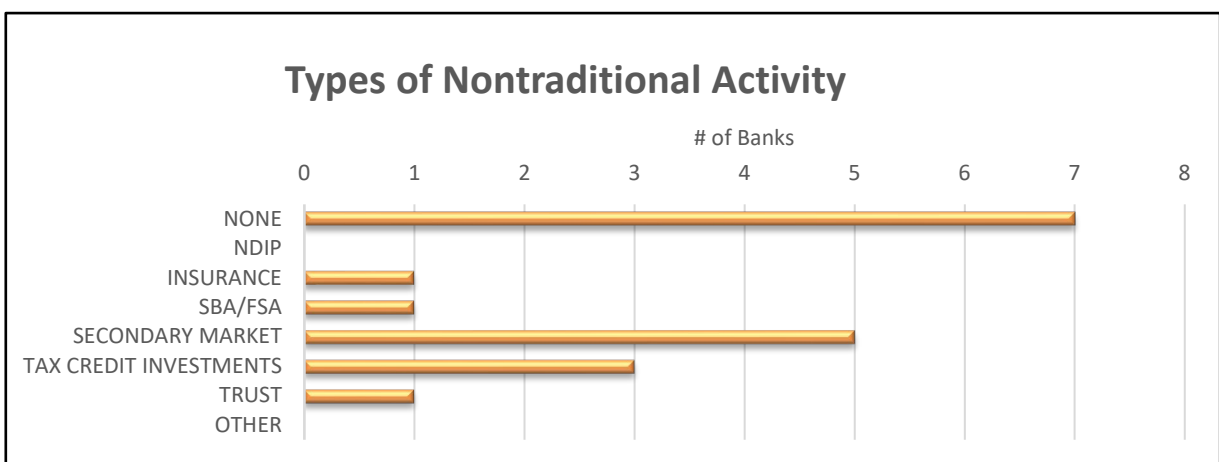
5. The Adversely Classified Items Coverage ratio increased in **10** of the banks examined. Deterioration in existing credits was noted as the primary factor, with deterioration in new loans and economic factors also cited.

6. The mix of total loan classifications for the **14** banks is illustrated in the adjacent pie chart. Classifications continue to be largely comprised of commercial related credits.



OPERATIONAL

7. Most of the banks examined during the quarter exhibit conservative policies and practices in relation to investments. Moderate risk was noted in **1** bank.
8. The majority of the banks examined during the quarter exhibit conservative funds management policies and practices. Moderate risk was noted in **1** bank.
9. Examiners identified a funding concentration in **1** of the banks examined. The number of banks with a funding concentration continues to trend down each quarter.
10. Examiners noted **no** banks that hold a significant position in off-balance sheet derivatives. Significant is considered 10% of total assets.
11. Examiners identified **2** banks during the quarter with Internal Routine and Control weaknesses. Weaknesses were related to overdraft procedures and segregation of duties.
12. Half of the banks examined engage in nontraditional activities, as shown in the chart below. Secondary market lending continues to be the most common nontraditional activity.



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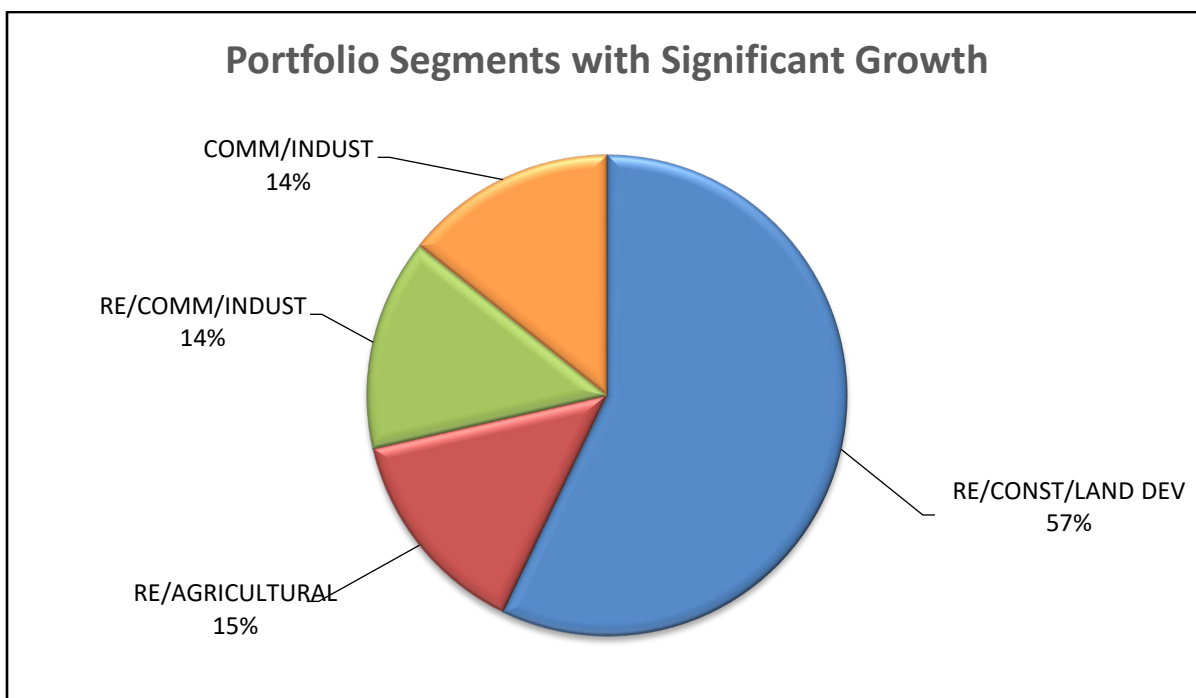
This survey is completed by bank examiners at the conclusion of each examination. Results are compiled from all banks examined during the quarter.

Date: **THIRD QUARTER 2025**

Number of Banks Examined: **15**

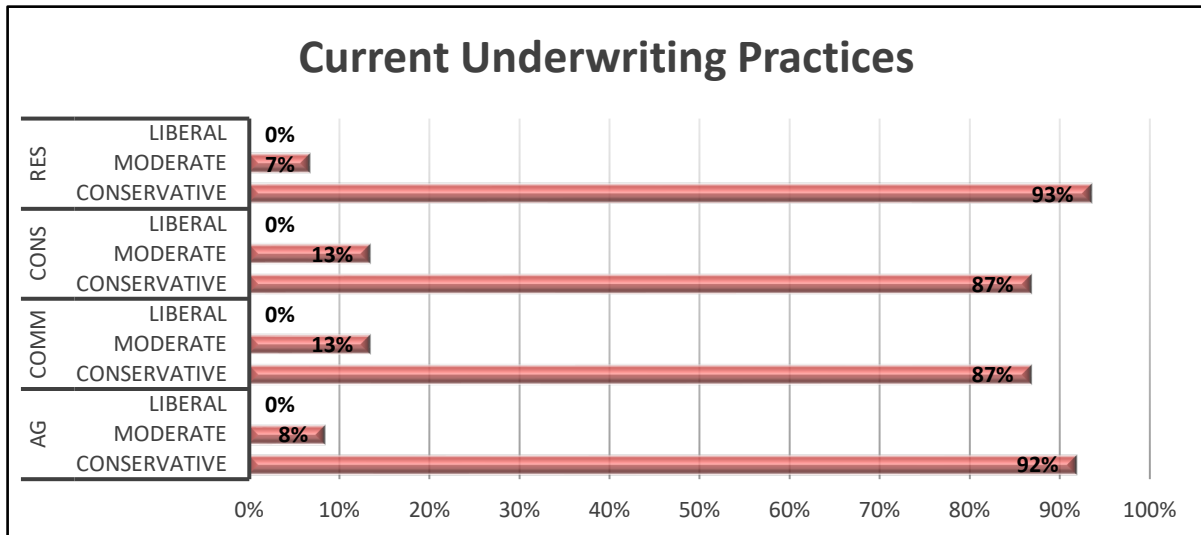
LENDING

1. Since their last examinations, **6** banks had significant growth in at least one segment of the portfolio. Significant is defined as an increase of 20% or more. The following graph illustrates the portfolio segmentation in the **6** banks for the identified growth.

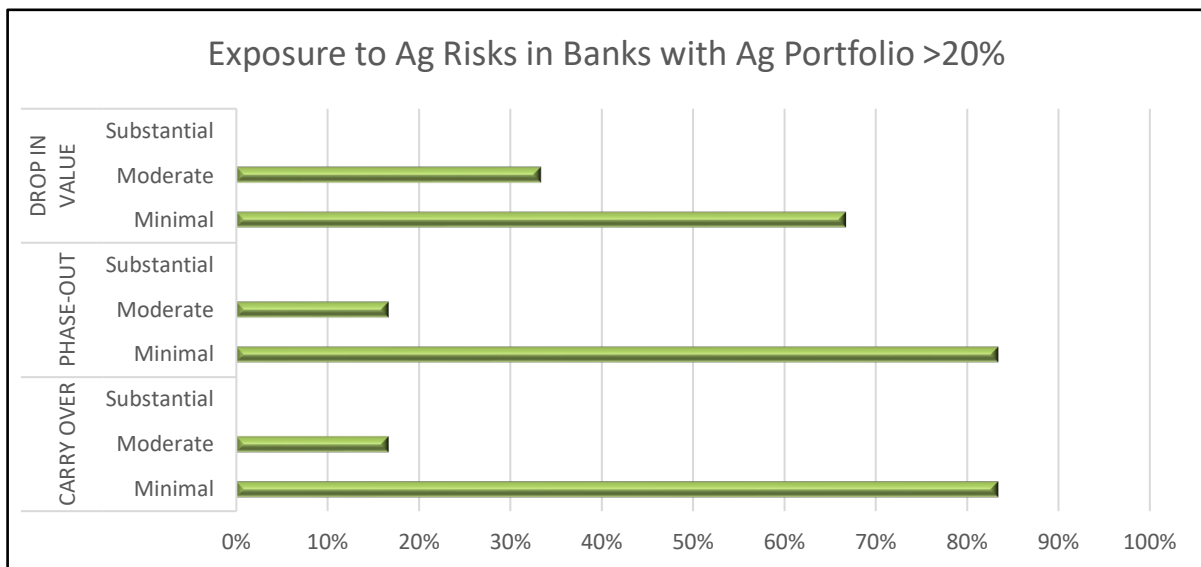


2. Indications of incurring “more than normal” risk when booking new loans or modifying existing credits was noted in **one** bank during the quarter. Risk identified was liberal repayment terms.

3. The majority of the banks examined in this quarter remain conservative in underwriting practices across all loan types reviewed. No liberal practices were identified. The following graph reflects the current level of underwriting practices observed in each of the four main lending areas.

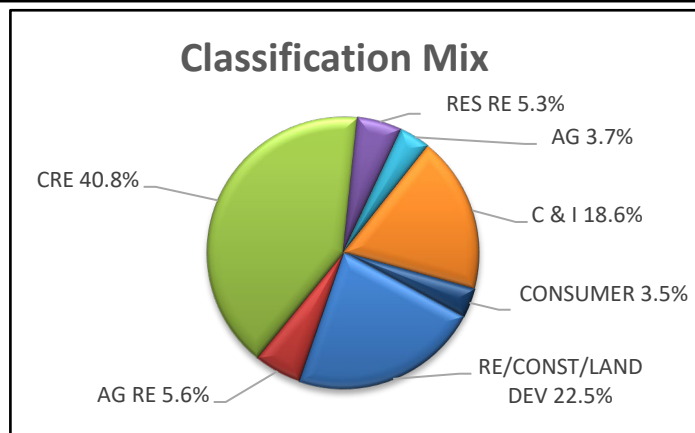


4. Agriculture loans represent more than 20% of total loans in only **6** banks examined. Exposure is similar across all **6** banks with no substantial exposure identified.



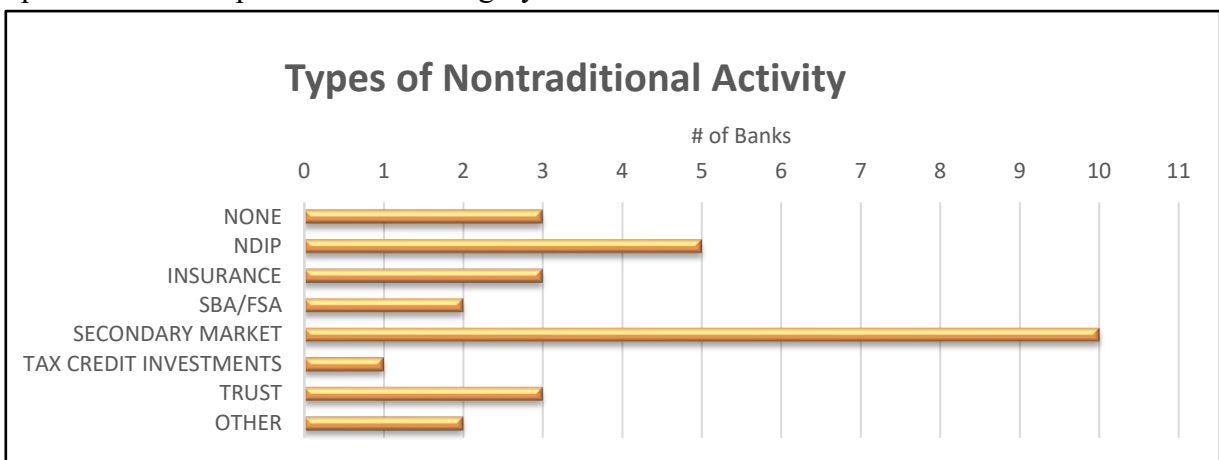
5. The Adversely Classified Items Coverage ratio increased in **10** of the banks examined. Deterioration in existing credits was noted as the primary factor, with lax underwriting and participations purchased also cited.

6. The mix of total loan classifications for the **15** banks is illustrated in the adjacent pie chart. Classifications continue to be largely comprised of commercial related credits.



OPERATIONAL

7. Most of the banks examined during the quarter exhibit conservative policies and practices in relation to investments. Moderate risk was noted in **3** banks.
8. The majority of the banks examined during the quarter exhibit conservative funds management policies and practices. Moderate risk was noted in **2** banks.
9. Examiners identified a funding concentration in **2** of the banks examined.
10. Examiners noted **no** banks that hold a significant position in off-balance sheet derivatives. Significant is considered 10% of total assets.
11. Examiners identified **5** with Internal Routine and Control weaknesses. Audit environment weaknesses were noted in all **5** with additional varied weaknesses in the areas of employee account review, correspondent accounts, official checks, and BSA compliance.
12. Most of the banks examined engage in nontraditional activities, as shown in the chart below. Secondary market lending continues to be the most common nontraditional activity. Office space rentals comprise the other category.



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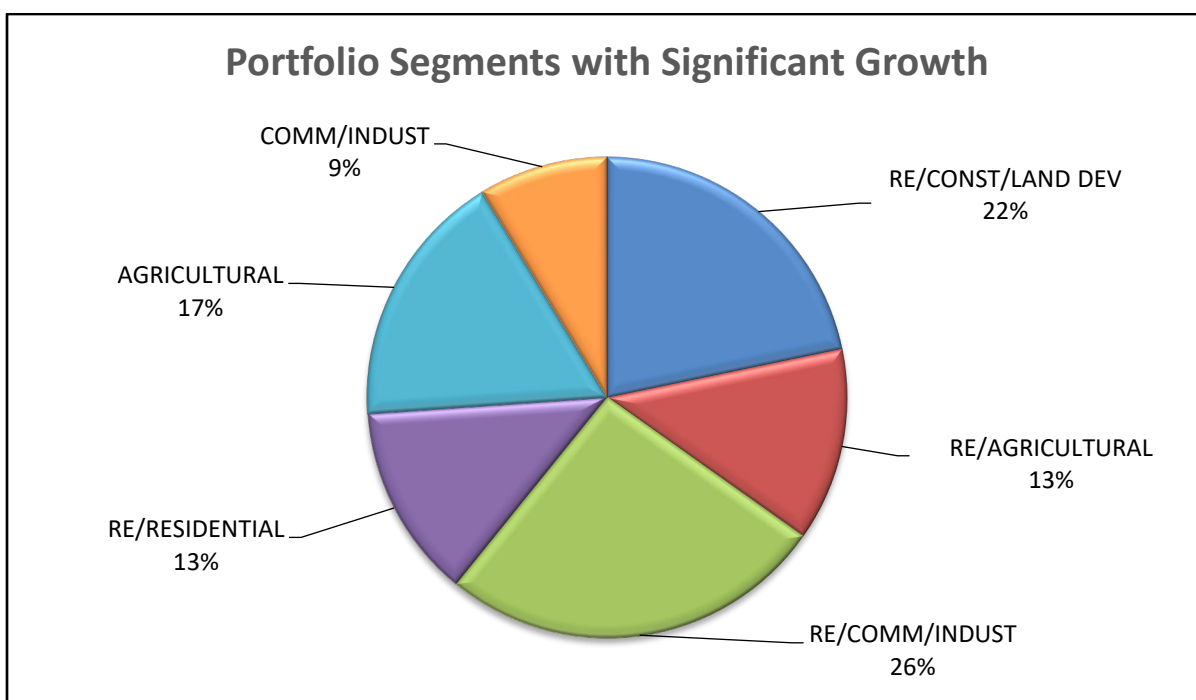
This survey is completed by bank examiners at the conclusion of each examination. Results are compiled from all banks examined during the quarter.

Date: **FOURTH QUARTER 2025**

Number of Banks Examined: **17**

LENDING

1. Since their last examinations, **10** banks had significant growth in at least one segment of the portfolio. Significant is defined as an increase of 20% or more. The following graph illustrates the portfolio segmentation in the **10** banks for the identified growth.

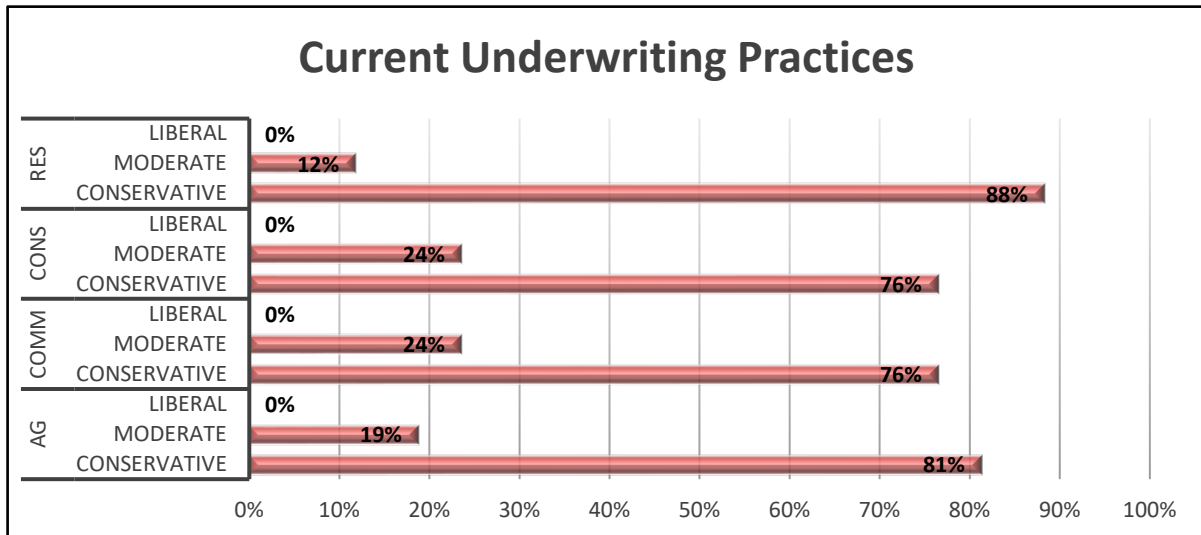


2. Indications of incurring “more than normal” risk when booking new loans or modifying existing credits was noted in **two** banks during the quarter. Risk identified was collateral dependency and lack of cash flow analysis.

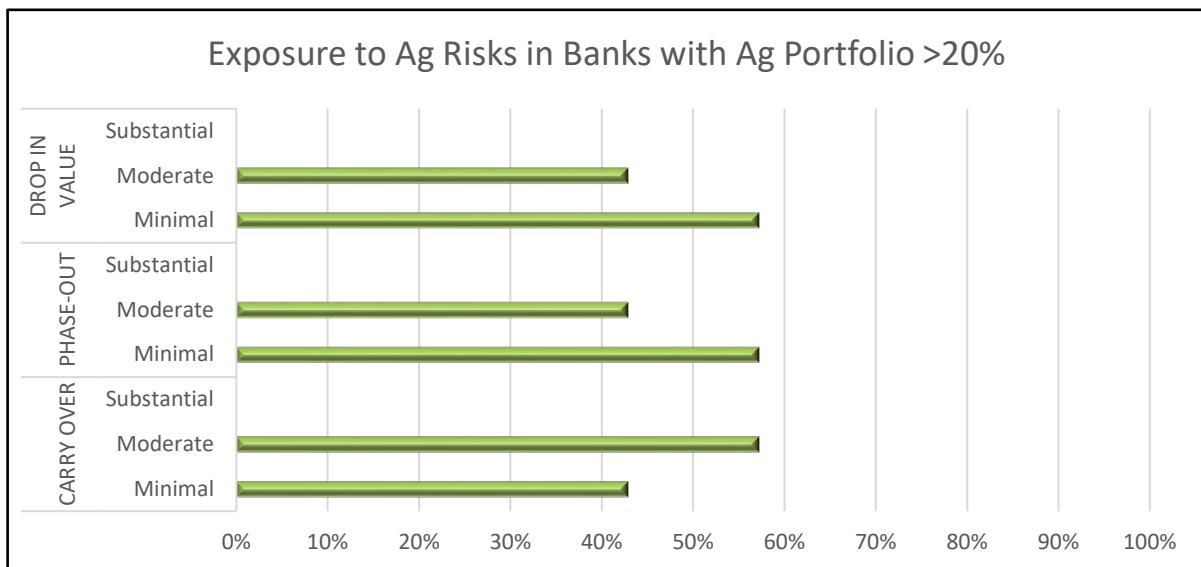
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3. The majority of the banks examined in this quarter remain conservative in underwriting practices across all loan types reviewed. No liberal practices were identified. The following graph reflects the current level of underwriting practices observed in each of the four main lending areas.

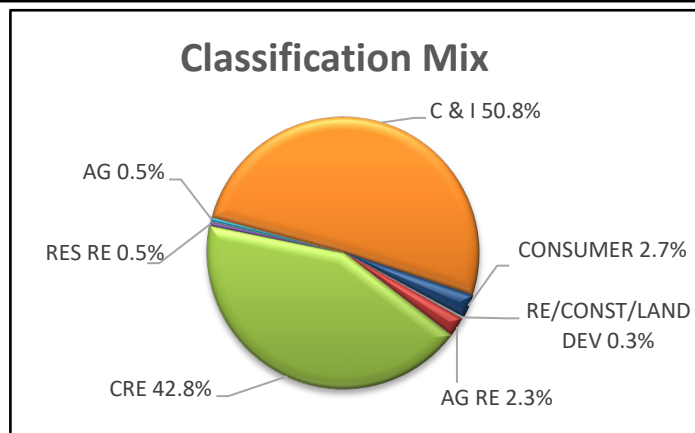


4. Agriculture loans represent more than 20% of total loans in 7 banks examined. Exposure is similar across all 7 banks with no substantial exposure identified.



5. The Adversely Classified Items Coverage ratio increased in 9 of the banks examined. Deterioration in existing credits was noted as the primary factor, with economic factors also noted in a few banks.

6. The mix of total loan classifications for the 17 banks is illustrated in the adjacent pie chart. Classifications continue to be largely comprised of commercial related credits.



OPERATIONAL

7. Most of the banks examined during the quarter exhibit conservative policies and practices in relation to investments. Moderate risk was noted in **5** banks.
8. The majority of the banks examined during the quarter exhibit conservative funds management policies and practices. Moderate risk was noted in **4** banks.
9. Examiners identified a funding concentration in **4** of the banks examined.
10. Examiners noted **no** banks that hold a significant position in off-balance sheet derivatives. Significant is considered 10% of total assets.
11. Examiners identified **2** banks with Internal Routine and Control weaknesses. Weaknesses were identified in audit procedures, employee account review, and dormant account monitoring.
12. Most of the banks examined engage in nontraditional activities, as shown in the chart below. Secondary market lending continues to be the most common nontraditional activity.

